NUNA RESOURCES INC.

SUPPORTING RESPONSIBLE RESOURCE DEVELOPMENT THROUGH DUE PROCESS

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Environmental Protection Agency Ariel Rios Building 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

Dear Administrator Perciasepe:

Thank you and your staff for meeting with us on Wednesday, February 8, 2012, in Washington, DC, about EPA's response to a Section 404(c) request by six tribes, a request that would, if granted, foreclose or limit development of infrastructure needed for possible metallic sulfide mines in our region and related to our lands. Admittedly, the request is aimed at stopping the development of opportunities that we are evaluating related to at the Pebble Project or perhaps other similar opportunities in our region. We spoke about this and the so-called "watershed assessment" that was undertaken by EPA that is supposedly being done to inform EPA's action concerning that request.

Nuna Resources, Inc., a non-profit organization. It includes federally created Alaska Native corporations, tribal councils, commercial fishermen, business owners and concerned residents of the region.

We believe that we deserve, as landowners, tribal councils and citizens whose lives EPA will most affect with its decisions on these matters, direct and meaningful consultation with your agency so our views and interests will be reflected in your decisions about the 404(c) request. This means we need substantive dialogue now and in an ongoing fashion, not just in the latter stages of the process as was first indicated in our meeting.

On this point, we ask that you give to us the EPA regulations that you are using to define the public process that we are enmeshed in now for the 404(c) request and the watershed study.

We appreciate you giving us the new 2011 EPA policy about consultation with Indian Tribes and will review that in the coming days. Our first impression is that the policy does not to expressly include Alaska Native Corporations, such as some of our members, but this should not preclude the EPA from giving the same or even more deference to Nuna Resources, Inc., and its members, as we are the landowners whose direct interests will be affected by EPA's decisions.

We heard in our meeting that the views of several special interests (certain tribes, wealthy jeweler interests, out of state seafood interests, and certain sport-fishing groups) have incredibly high standing with EPA, so much so that EPA has elevated their request to the highest level of the agency and allowed them to direct the orientation of the so-called watershed assessment that EPA has undertaken. We are from communities most nearby the possible mine site and have a direct interest in the land associated with possible mining development that EPA actions may foreclose. In short, we believe we have at least the same, if not more, interest in this situation and we request more consultative opportunities and deference than these other entities (the special interests) and certainly more than is spelled out in the EPA policy related to Indian Tribes.

We also hope and expect that the consultative process will be meaningful. Meaningful consultation has not occurred to date with us, although we do appreciate you meeting with us in Washington, DC, about these procedural issues and EPA's intentions. Meaningful consultation is collaborative in nature and our impression and experience is that EPA, to date, has taken an interest in this 404(c) request based on some misnomers about Native Alaskans, where we live, our traditions and the circumstances that we face today in our communities. We feel that you have only listened to the proponents of the 404(c) request. We were somewhat reassured by your direction to your staff that the consultation with us ought to be done in the early stages and on a continuing basis. We appreciated the reassurance that the staff needs to be clear on this point. I hope that you gathered why we are a bit skeptical of the unfolding situation and we ask that you lay out your schedule for meaningful consultation as we have requested.

In that vein, we request that EPA clear the air and adopt full transparency about the origins of the 404(c) request and EPA's role in it. Specifically, we ask that you release publicly of all communications between EPA personnel (and consultants) about the 404(c) request and between these individuals and those who made the 404(c) request (and their representatives or surrogates), including communications related to Administrator Jackson's visit to Alaska.

We request these communications pre and post the submission of the 404(c) request. We hope to verify that EPA is indeed unbiased and not complicit in the 404(c) request, as there is much at stake for us as EPA moves towards its conclusion. We will view your accommodation of this request as an act of good faith by EPA and a step toward meaningful consultation.

We understand that EPA's approach related to the 404(c) petition has been to turn to a "watershed assessment" as a way to evaluate the 404(c) petition, but we are very alarmed that the EPA has elected to do no EPA on-the-ground studies, scientific surveys or scientific field work to compose the assessment. We ask that you address this point specifically.

We are furthermore alarmed that the EPA has chosen what appears to be a "literature search" as a basis the watershed assessment of our region. This, in our view, is inadequate and only part of what may be needed and is certainly not in line with what we understand as EPA's approach in its other watershed assessments.

To be clear, an overarching point that we raised related to this approach, is that EPA's assessment is missing the human factor in its undertaking. We understood from our meeting that while the human factor in our villages will not be included in your assessment, only fish and fish economics will be included. This is due to a myopic viewpoint about our villages and possibly to tailoring the question you are examining (how large scale mining might possibly affect the fishery) so that you get the answer EPA and the 404(c) requesters seek.

We asked you for all the documents that led you to the decision to take this approach, as a vastly different analysis that incorporates the human factors would be undertaken if the safe path offered by the National Environmental Policy Act were to be followed. We appreciate your willingness to provide us with the documents that underlie the EPA decision to skip NEPA and consider the 404(c) request in the ad hoc process that EPA has constructed.

To the point about EPA's analysis of "large scale mining projects," we were glad to hear something different than the approach stated by EPA contractors (who do not possess mining expertise and may be biased against mining) in technical sessions. There it was stated that EPA would not look at large, modern mines (like those in the Fraser River) as examples of mining and fisheries compatibility. We now understand that based on representations in our meeting that EPA intends to consider such examples.

However, perhaps the most alarming topic of our meeting concerned the standards that EPA is using for information that will comprise its watershed assessment. There appeared to us to be none—other than EPA's unilateral discretion. One meeting participant from EPA said that EPA has the unilateral discretion make the decisions about which information is relevant to the assessment and which information is used in the assessment. It will be totally in EPA's discretion. We asked you to provide to us the standards and definitions that you are using to as a basis for this discretion and for continually changing the scope of the watershed assessment exercise, which is starting to appear to us to be an outcome-oriented exercise: EPA will decide relevant and useful information for the conclusion that it seeks. We expect more when so much is at stake for us.

We also discussed the topic of what prompted EPA to back away from simply dismissing the 404(c) request as having inadequate basis and instead to proceed with a watershed assessment. EPA told us in the meeting that it "had enough information to proceed with a watershed assessment" related to large scale mining, but we need to understand what information EPA had and what information it used to proceed to the watershed assessment. We requested that you send the basis of what was understood that enabled you to proceed with a watershed assessment.

We also discussed your aggressive schedule for the assessment and 404(c) request. After understanding the proposed April release of a draft, a short public input in May or June, and consultation in June or July (something that should be going on with us now), it occurred to us, why the rush? We urged you to stop trying to compress and rush the work here, as what EPA has taken on is a large task that is so important to the value of what the United States has given to us.

In particular, Alaska Native Corporations, like some of Nuna Resources' membership own lands granted by the United States. No one from EPA has taken into account what your decisions in the watershed assessment and 404(c) request will do to the value of our land—directly and indirectly—if your actions hinder metallic sulfide mining that might otherwise be safely accomplished after a National Environmental Policy Act review. However, EPA seems to be operating in such a gray area beyond the comfort of past precedent, beyond environmental law and

beyond the specifics about a possible mining project. We have been patiently waiting for those specifics to make decisions that EPA now appears to be ready to make for us, regardless of what we may want and need and in advance of the process under NEPA that we expected.

Best Regards

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Abe Williams